

RJ REYNOLDS

TOBACCO COMPANY

October 11, 1995

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DIRECT ACCOUNT PROMOTION HANDLING

IT HAS COME TO MY ATTENTION THAT SOME REGION DIRECT ACCOUNTS HAVE A BACK-LOG OF PROMOTIONS IN THEIR WAREHOUSES. THIS SITUATION MUST BE ADDRESSED IMMEDIATELY. ADVISE ME THE STATUS OF ANY OF YOUR DIRECT ACCOUNTS WHO CURRENTLY HAVE ANY BACKLOG OF PROMOTIONAL PRODUCT AND/OR PREMIUMS.

ADDITIONALLY, YOUR ONGOING DIRECT ACCOUNT RESPONSIBILITIES SHOULD INCLUDE THE FOLLOWING MONTHLY STEPS:

1. EACH MONTH: PHYSICALLY VERIFY (OR HAVE APPROPRIATE SALES REP PHYSICALLY VERIFY) THAT ALL DIRECT ACCOUNTS HAVE SHIPPED ALL PROMOTIONS FOR THAT MONTH TO THE DESIGNATED RETAIL ACCOUNTS.
2. EACH MONTH: DETERMINE IF ANY PROMOTIONS HAVE BEEN RETURNED BY RETAIL; AND IF SO, REMOVE THOSE RETAILERS FROM OUR VAP PROGRAM IMMEDIATELY.
3. EACH MONTH: ADVISE ROU (JUDY) OF ANY RESIDUAL PRODUCT / PREMIUMS AT YOUR DIRECT ACCOUNTS SO THAT WE CAN TAKE STEPS TO HAVE THE APPROPRIATE DIVISIONS/ SALES REPS HANDLE RESIDUALS.
4. IF A DIRECT ACCOUNT HAS NOT SHIPPED OUT A PARTICULAR PROMOTION, THE ROU NEEDS TO INFORMED IMMEDIATELY SO THAT APPROPRIATE STEPS CAN BE TAKEN.

IT IS CRITICAL THAT ALL PROMOTIONS ARE MOVED THROUGH YOUR DIRECT ACCOUNTS AS RAPIDLY AS POSSIBLE.

Sincerely,
Stephen
S. R. MacLeod
Regional Operations Manager
SRM/jc
cc: R. C. Farmer

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